

**TESTIMONY**  
**JEROME COOPER, CHAIRMAN AND CEO**  
**JAMAICA BUSES, INC.; COMMAND BUS**  
**CORPORATION; TRIBORO COACH, INC., AND GREEN**  
**BUS LINES, INC.**

**OF NEW YORK CITY**

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**BEFORE**  
**SUBCOMMITTEE ON ENERGY POLICY, NATURAL**  
**RESOURCES AND REGULATORY AFFAIRS**  
**U.S. HOUSE OF REPRESENTATIVES**

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**HEARING ON**  
**PRIVATE SECTOR PARTICIPATION**  
**IN GROUND TRANSPORTATION**

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**WASHINGTON, D.C.**

**SEPTEMBER 30, 2004**

Mr. Chairman and Members of the Subcommittee:

My name is Jerome Cooper, though I prefer to be known as “Jerry.” I am the Chairman and CEO of Jamaica Buses, Inc., Command Bus Corporation, Triboro Coach, Inc., and Green Bus Lines, Inc., private operators of bus mass transportation services in Queens, Brooklyn, and Manhattan under contract with the City of New York which also issues operating authority to us. Collectively, these companies employ approximately 2,000 drivers, dispatchers, mechanics, supervisors, secretaries, clerks, claims personnel, bookkeepers and others whose efforts provide daily transportation to some 400,000 riders going to work, school, shopping, medical appointments, social excursions and generally moving about on the business of life. Mr. Chairman, I wish to thank the Subcommittee for affording me this opportunity to present information on the use of private sector resources in mass transportation infrastructure.

I have been around these companies my entire life and I have worked for them for about 45 years in various capacities. For the past seven years I have been CEO and Chairman of the Board. Although these titles and the company names may sound like institutional corporations, they are not. They are more like family retainers. Go to any retirement community in this country and you will find someone who, with bittersweet memory recalls riding the Green line to the beaches in Far Rockaway, or a Triboro Coach to school in Astoria or taking a date to the Valencia Theatre in Central Queens on a Jamaica Bus. The four companies and their predecessors are to my knowledge the oldest operating mass transportation organizations in the United States, the oldest of them having started operations about the time of the Civil War. Progressing from horses and wagons to modern day transit coaches, these businesses were built by hard-working people and entrepreneurs, not government agencies.

Shortly after World War I, when returning veterans were looking for work, a group of them found employment in our transit system. Eventually, these vets turned bus drivers and mechanics created the modern corporate entities in which they took the stock which today is the principle asset of many of these descendants. These companies are the property of working people who created transit from the sweat of their brows for a growing New York, not by tax subsidies or government authority. For over one hundred years private effort and capital have continuously made efficient and convenient transportation an everyday expectation in Queens, Brooklyn and Manhattan.

But, I am here today to share with you the sad facts of how the City of New York, a recipient of enormous amounts of Federal funding for transit, is trying to put these companies out of business, and preparing unnecessarily to lose hundreds of millions of public dollars in the process.

With the advent of Federal transit assistance in the 1960's local governments across America assumed the burden of providing mass transit in a period when economic conditions drove many of the originally private transit companies out of business. Over time, these subsidies became an important source of municipal revenue and finance. As public agencies grew with Federal assistance, there came to be a view that the operation of mass transit was a government function, not truly an area of private equity investment.

Eventually, private companies providing transit came to be seen as an obstacle or irritant to municipal agencies. So, more and more private transit companies were swallowed up by local government. But not Green Bus, Triboro Coach, Jamaica Buses or Command Bus, which have continuously served the public with distinction since the very birth of mass transit in this country. We are living proof that the guiding principle of the original Urban Mass

Transportation Act and the landmark Intermodal Surface Transportation Efficiency Act of 1991, and every Federal transit reauthorization since then, that public investment in transit infrastructure must be leveraged to the maximum extent feasible by private investment, is a viable and necessary way to meet the overwhelming and growing demand for mass transportation in the United States.

Yet, not everyone sees it that way. New York City, the bastion of capitalism, is embarked on a program to push private investment out of transit. Over the past several years the City of New York has allowed more than one hundred fifty million dollars in available Federal funds to sit in an account unspent in an effort to create the false impression that our companies and our employees are not doing a good job for the public. While public officials rail that private bus operating companies do not maintain buses adequately or care about the safety or comfort of the transit-riding public, the City refuses to spend federally appropriated funds for the purpose for which Congress intended: to retire old, obsolete and exhausted equipment which we maintain and operate under our contracts with the City.

It is to be noted that of the 709 buses in the combined fleets, on average 80 are out of service on a daily basis because of the need for repair or are so old that it is not financially practical to repair them. There are 234 buses in the Green Line fleet. They have a peak pull-out requirement of 185 buses, which should allow for sufficient spares in case of a breakdown. But because of the age of the current fleet and the need for major repairs on so many of the buses, Green Line has no spares available. Of the 709 buses 98 are not wheelchair-equipped and are inaccessible to persons with disabilities. Indeed, the average age of the Green Bus and Jamaica fleets is 15 years; about 60% of the Green Bus fleet is 18 years or older; a third of the Triboro fleet is 18 years old or older. 268 buses of the combined fleets are 18 years or older. 112 buses

are 19 years old or older and many parts cannot be obtained and must be cannibalized from other equipment. These statistics should be considered in light of the Federal standard of a 12 year useful life for transit buses.

We operate under the cardinal rule that notwithstanding the difficulty of putting service on the road not a bus leaves the depot unless we deem it to be safe and reliable. Notwithstanding the age and worn out condition of these buses the shop employees, through Herculean effort get most of the buses most of the time through the depot door in order to make service. The shortage of equipment results in overcrowding and short tempers but our riders, for the most part, with the help of an harassed driver work force understand the problems. But they are entitled to better service, newer and more comfortable buses but the private sector is powerless without the funding to provide such service.

A moment ago I told you that the City is sitting on one hundred fifty million dollars which has been appropriated and is available to replace the City's outdated fleet which we operate for the City under the local contract. But the City will not apply for these funds and replace the buses, even though they should do so under Federal standards, industry standards and traditional local practice.

They will not apply for the funds, because if they do they must buy buses to replace the fleet we operate for them, which they don't want to do so they can use the artificial safety, convenience and comfort crisis they have created to "prove" what a "bad" job the private sector does in maintaining and operating the buses.

They will not apply for the funds because the City wants to transfer the work from the private sector to the Metropolitan Transportation Authority (or "MTA" as it is commonly called),

with which it has already entered into an agreement for operating the serviced founded by our companies a century and more ago.

It is true that I want to protect the business and its employees, and even the shareholders (who, you recall, are the descendants of those World War I vets who became bus drivers to operate transit and support their families). There is nothing wrong with those motives, especially if you consider that it was they and their progeny who built up hundreds of millions of dollars of private equity in the properties which are used as transit garages, depots and offices. Our private properties provide equity leverage for vital mass transportation infrastructure, but the City does not presently pay fair market value for the use of them.

The City's arrangement with the MTA for this takeover is a bad investment in other ways. Originally the City administration proclaimed that the City would save \$150 million dollars in operating costs once the takeover occurred. In truth the most recent budget submitted to the City Council calls for payment to the MTA of \$161 million dollars, which is approximately \$11 million dollars more than present costs for delivery of the same service. Further, the City's estimate of the cost of the takeover does not include the rental of our realty or the value of our intangible property rights, which the Chairman of the City Council has publicly placed at hundreds of millions of dollars.

Both the City and the MTA claim huge deficits for the coming year. It is also no secret that faced with these deficits, once the takeover is consummated the MTA plans to cut service, especially on the express routes presently delivered by other private providers as well as by Green, Triboro, Jamaica and Command. To me this government incursion into the private sector is wasteful of taxpayer money, ill advised and badly planned. By any measure, given a level playing field, the private operators in the New York metropolitan area believe they can deliver

transit services as well as the MTA. Yet, because the City administration opposes cooperation with the private sector we are being squeezed out of business. Such attitude and policies are in stark and diametric opposition to the intent of Congress to leverage public transit infrastructure investment with private equity, as expressed in the Federal Transit Act.

In the limited time allowed to me I can only give you the outline of a very counterproductive situation which is fueled by a misguided use of vital Federal infrastructure assistance. I have also submitted for the record several supplemental documents for your consideration. We all understand the importance of mass transportation, but we must work with great care to steward the limited resources available to make sure that the American people get the best value for every appropriated dollar.

Again, Mr. Chairman, I thank the Subcommittee for the opportunity of testifying here today. I look forward to answering any questions you or the other Members may have.